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TAGS: [PGOV](#) [PREL](#) [UP](#)

SUBJECT: YANUKOVYCH EMPHASIZES SOCIAL SPENDING, TIES WITH  
RUSSIA AT NOMINATING CONGRESS

Classified By: Political Counselor Colin Cleary for reasons 1.4(b,d)

SUMMARY:

1. (C) Opposition leader Yanukovych was nominated as the Party of Regions presidential candidate in Kyiv on October 22 at a made-for-television party congress. The congress, broadcast live in Eastern Ukraine, featured a key policy speech by Yanukovych, and three additional speakers--including one from the United Russia party. Yanukovych made extensive promises for increased government spending on social programs, health care, and education and promised to pull the country out of the current economic crisis. Yanukovych pledged that he would change Ukraine's foreign policy goals to emphasize improved relations with Russia, neutrality, and an end to Ukraine's NATO membership bid. He said Ukraine should be open to extending the lease of the Russian Black Sea Fleet in Crimea past 2017. He also promised to make Russian a state language and to shift authority from Kyiv to regional and local authorities. End Summary.

MADE TO ORDER FOR TV

2. (SBU) Opposition Party of Regions head Viktor Yanukovych was nominated as Regions' presidential candidate on October 23 at a party congress in Kyiv. The gathering, with about one thousand party members and MPs, unanimously backed Yanukovych's candidacy. The setting, which included cameras sweeping over the assembled party members and horse-shoe shaped risers surrounding a long, narrow stage, gave the impression of a fashion-show runway or a TV game show. Attendees were packed shoulder to shoulder and stood for the duration of the almost two-hour event. The congress was broadcast live on giant screens on Donetsk's main city square and on local eastern Ukrainian television channels.

SOLID POLICY SPEECH, POORLY READ

3. (SBU) Prior to the pro-forma voting on his nomination, Yanukovych read a well-written policy speech that laid out a clear set of priorities. At times stumbling over the wording of the speech, Yanukovych attacked the Orange Revolution as responsible for "lawlessness, corruption, repression," and "mass unemployment." He also focused on Ukraine's poor economic situation, charging that Prime Minister Tymoshenko had "bankrupted" the country. Yanukovych promised broad reforms to all areas of governance, and a rise in Ukrainian living standards to European levels. He unveiled his "Ukraine for the People" campaign slogan and promised to bring "wealth, stability, and freedom" to the country.

PROMISES FOR EVERYONE

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¶4. (SBU) Yanukovych's speech and his election platform contained promises to a broad range of age and economic groups. For the youth, he promised to abolish university entrance exams, raise university budgets by 75 percent, and make higher education and vocational training free. He also promised to end military conscription. For young families, he pledged to expand housing programs and fixed-rate government-backed mortgages. He also promised to pay new parents between 25,000 UAH and 100,000 UAH (approximately USD 3,000-12,000) for the birth of children, along with monthly stipends for each child.

¶5. (SBU) Yanukovych promised to build one million new apartments in the next 10 years for government employees, families, and people with disabilities. He promised a major rise in state health-care funding, and pledged to stamp out the practice of doctors requiring bribes in order to provide state medical care. Yanukovych promised to control prices on a basket of essential food and medical items and to continue to raise pensions. Finally, he promised to increase state subsidies to farmers until they match EU farm-subsidy levels.

#### ECONOMIC AND DEVELOPMENT BENCHMARKS

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¶6. (SBU) In addition to his extensive campaign promises, Yanukovych also set out five economic and development goals. First, get Ukraine into the G20 within 10 years by following a detailed economic development plan. Second, increase

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foreign direct investment in Ukraine to USD 50 billion by 2014 by creating the best investment climate in East Central Europe. Third, increase the population from the current approximately 46 million to 50 million by 2020 through new state subsidies and grants to families. Fourth, raise three Ukrainian universities into the ranking of the 500 best universities in the world through major increases in funding and state support for university research. Fifth, overhaul the Ukrainian health care system by increasing funding to 10 percent of GDP and moving to a system based on family physicians rather than hospitals.

#### "NEW FOREIGN POLICY COURSE"

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¶7. (SBU) Yanukovych called for a new approach to Ukrainian foreign policy that emphasizes a "fully-fledged partnership with Russia" and neutrality. He explained that Ukraine needs a foreign policy that avoids conflicts with its neighbors, ends the pursuit of NATO membership, and focuses on national interests. Yanukovych expressed his openness to extending the stay of the Russian Black Sea Fleet in Crimea past 2017, and to joining the Russian-proposed Common Economic Space. He said that Ukraine would be open to "mutually beneficial partnerships" with the U.S. and EU, including trade deals.

#### LANGUAGE AND INCREASED REGIONAL AUTONOMY

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¶8. (SBU) In one of the few areas that drew enthusiastic applause, Yanukovych promised to shift greater authority to local and regional government on social issues. He pledged that he would seek to make Russian the second official language and codify into Ukrainian law the principles from the EU Charter for Regional and Minority Languages. Yanukovych said that Kyiv, for example, would no longer dictate what monuments local governments could erect or language policies in schools, but would support diverse regional cultures and traditions in the east and west.

19. (SBU) After Yanukovych's speech, three others addressed the party congress in support of his candidacy. In contrast to Yanukovych, who spoke in Ukrainian, the others all delivered their speeches in Russian. First, Regions MP and Director of the Novokramatorsk Machinebuilding factory Heorhiy Skudar spoke at length about his long relationship with Yanukovych and his unique qualifications as a "working man" for the post of president. Second, retired general and decorated veteran of the Soviet war in Afghanistan Serhiy Chervonopuskii described his productive work on veteran's affairs with Yanukovych as prime minister, in contrast to current PM Tymoshenko. The final speaker, Russian Duma MP and First Deputy head of the United Russia faction Valery Ryazansky, gave a bland speech about "partnership" and "fraternity" between United Russia and Party of Regions. Ryazansky ended his speech by calling for a vote on Yanukovych's candidacy, which was unanimously supported by party members raising their membership cards in the air.

Comment

10. (C) Regions' party congress had the feeling of a closed television set with little access by outside media, in contrast to Prime Minister Tymoshenko's very public party congress held the following day on Independence Square in Kyiv. The congress was well staged, but it lacked energy. Attendees seemed more interested in making it to the buffet that followed than in Yanukovych's speech. However, the speech, in contrast to Tymoshenko's the following day, was rich in specifics and contained a little something for almost every potential voter. Yanukovych only once mentioned Tymoshenko by name and focused his attacks on the "orange team" in general, clearly trying to lump the Prime Minister and unpopular President Yushchenko together.

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